

EXHIBIT B

Parties

THIS MEMORANDUM OF LEASE dated this 18th day of December, 1964,
between PATTON AVENUE DEVELOPMENT CORPORATION

a North Carolina corporation having its principal office at P. O. Box 1747, Greensboro,
North Carolina 27402
(herein referred to as "Landlord"), and S. S. KRESGE COMPANY, a Michigan corporation having
its principal office at 2727 Second Avenue, Detroit, Michigan 48232 (herein referred to as "Tenant"),

WITNESSETH: That for and in consideration of the sum of One Dollar (\$1.00) and other good
and valuable considerations and the further consideration of the rents reserved and the covenants
and conditions more particularly set forth in a certain lease between Landlord and Tenant and bearing
even date herewith, Landlord and Tenant do hereby covenant, promise and agree as follows:

Demised
Premises

1. Landlord does demise unto Tenant and Tenant does take from Landlord for the term herein-
after provided, and any extension thereof, the following property: a completed store unit to be con-
structed, as specified in said lease, by Landlord at its expense on part of the land described in Exhibit
"A", attached hereto and made a part hereof, situated in the City of Asheville,
County of Buncombe, State of North Carolina, said store unit to be a part of the Com-
mercial Development known as K-MART PLAZA, to be in the location outlined in red on Exhibit "B", attached hereto and made a part hereof, and
to be of the dimensions specified in said Exhibit "B".

Landlord hereby gives and grants unto Tenant, its agents, employees, customers and invitees
the following licenses, rights, privileges and easements in common with Landlord and other tenants of
the land described in said Exhibit "A", and their respective agents, employees, customers and invitees:
the use of parking areas, common areas (including rest rooms and other facilities, if any), roadways,
sidewalks and accessways to public streets and highways, including those indicated on Exhibit "B"
and those which shall at any time and from time to time be contained in said Commercial Development
or any future enlargement thereof, together with the use of any delivery or servicing areas adjoining
Tenant's store unit or designated as such on Exhibit "B", which areas shall be adequate for the passage,
unloading and, if necessary, turning around of trailer trucks and other commercial vehicles.

Term

2. The lease term shall commence upon the date of occupancy by Tenant of said store unit,
and shall terminate upon such date as shall be twenty (20) years from the last day
of the month in which said date of occupancy by Tenant shall occur; provided, however, Tenant shall
have the option to extend the lease term for three (3) successive periods of five
(5) additional years each.

Landlord's
Covenant

3. Landlord covenants, represents and warrants that, within the confines of the area of the
Commercial Development described in Exhibit "A" now or in the future owned or controlled, directly
or indirectly, by Landlord, Landlord's principal owners, stockholders, directors or officers, or their
assignees or vendees, no premises (other than Tenant's store unit) shall be leased, rented, used or
occupied for any purposes whatsoever without Tenant's prior written consent, which may be withheld
or granted at Tenant's sole discretion and further, that in addition no premises so owned or controlled
outside the confines of the area of the Commercial Development but within a four (4) mile radius
thereof, shall be leased, rented, used or occupied for the operation of a variety store, department store,
junior department store, cut-rate store or discount store. This covenant shall run with the land com-
mencing with the date of execution of this lease and shall continue until such date as shall be the last
day of the lease term or extension or renewal thereof; provided, however, this covenant shall cease and
determine and be of no further force or effect in the event that either (a) subsequent to the commence-
ment of the lease term, said store unit shall cease to be used for the operation of a cut-rate store or
discount store or any store managed by Tenant for a period of six (6) consecutive months, excluding
temporary interruptions of said operation because of causes beyond Tenant's control, or (b) said date
of occupancy described in the aforesaid lease shall not occur prior to such date as shall be seven (7)
years from the date of the execution of this lease.

Building
Areas

4. Landlord shall not, during the period commencing with the date of execution of aforesaid
lease and ending upon the last day of the lease term and any extension or renewal thereof, erect or
construct any buildings or other structures upon any site or sites within the confines of the land
described in Exhibit "A", except within the confines of the building site or sites (or future building
sites) shown on Exhibit "B"; provided, however, in the event that the date of occupancy by Tenant of
said store unit shall not occur prior to such date as shall be seven (7) years from the date of the execution
of aforesaid lease, then the restrictions imposed by this Article shall cease and determine and shall be
of no further force or effect.

The sole purpose of this instrument is to give notice of said lease and all its terms, covenants and
conditions to the same extent as if said lease were fully set forth herein.

The conditions, covenants and agreements contained in this instrument shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns. All covenants and agreements of this instrument and said lease shall run with the land.

IN WITNESS WHEREOF, the parties hereto have executed these presents in ^{triplicate} ~~duplicate~~ and affixed their seals hereto as of the day and year first above written.

WITNESSES:

PATTON AVENUE DEVELOPMENT CORPORATION

By: Lawrence T. Hoyle
Lawrence T. Hoyle, President

Attest: T. C. Hoyle, Jr.
T. C. Hoyle, Jr., Secretary

S. S. KRESGE COMPANY

By: John B. Hollister
John B. Hollister, Vice President

Attest: John C. Cook
John C. Cook, Assistant Secretary



J. K. Tewel
J. K. Tewel
Agnes Krausman
Agnes Krausman

ACKNOWLEDGMENTS

STATE OF N.C. } ss:
COUNTY OF Guilford

I do hereby certify that on this 28th day of Dec, 19 64, before me, Betty Jean Jeffreys, a Notary Public in and for the County and State aforesaid, residing therein and duly commissioned, personally appeared Lawrence T. Hoyle and J. C. Hoyle, Jr., known to me to be the President and Secretary of Patton Avenue Development Corporation, who, being by me duly sworn, did depose and say that they reside in Guilford Co., N.C., respectively;

that they are the President and Secretary respectively of Patton Avenue Development Corporation the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires June 28, 1966 Betty Jean Jeffreys
Notary Public

STATE OF MICHIGAN } ss:
COUNTY OF WAYNE

I do hereby certify that on this 31st day of December, 19 64, before me, Jean Currie, a Notary Public in and for the County and State aforesaid, residing therein and duly commissioned, personally appeared John B. Hollister and John C. Cook, known to me to be the Vice President and Assistant Secretary of S. S. Kresge Company, who, being by me duly sworn, did depose and say that they reside in Detroit, Michigan and Grosse Pointe, Michigan

respectively of S. S. Kresge Company, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires March 18, 1966 Jean Currie
Notary Public

CODE No. 920-84-100-Only-10/64-3884/64K-C1&C2-Printed in U.S.A. (4/15/63)

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STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

The Foregoing Certificates of Betty Jean Jeffreys
& Jean Currie

Notaries Public of the State and County designated, each duly authenticated by Notarial or Private Seals thereto attached, are adjudged to be correct. Let the instrument with the certificates be registered.

This the 22 day of March, 19 65.

Billy D. Hollister
Deputy Clerk Superior Court

Registered this the 22 day of March, 19 65, at 4:41, P M

William E. Suggs
Register of Deeds

EXHIBIT "A" ATTACHED TO AND MADE A PART OF
THE LEASE ENTERED INTO DECEMBER 18, 1964
BETWEEN PATTON AVENUE DEVELOPMENT CORPORATION,
LANDLORD, AND S. S. KRESGE COMPANY, TENANT.

Located in the City of Asheville, Buncombe County, North Carolina:

TRACT ONE

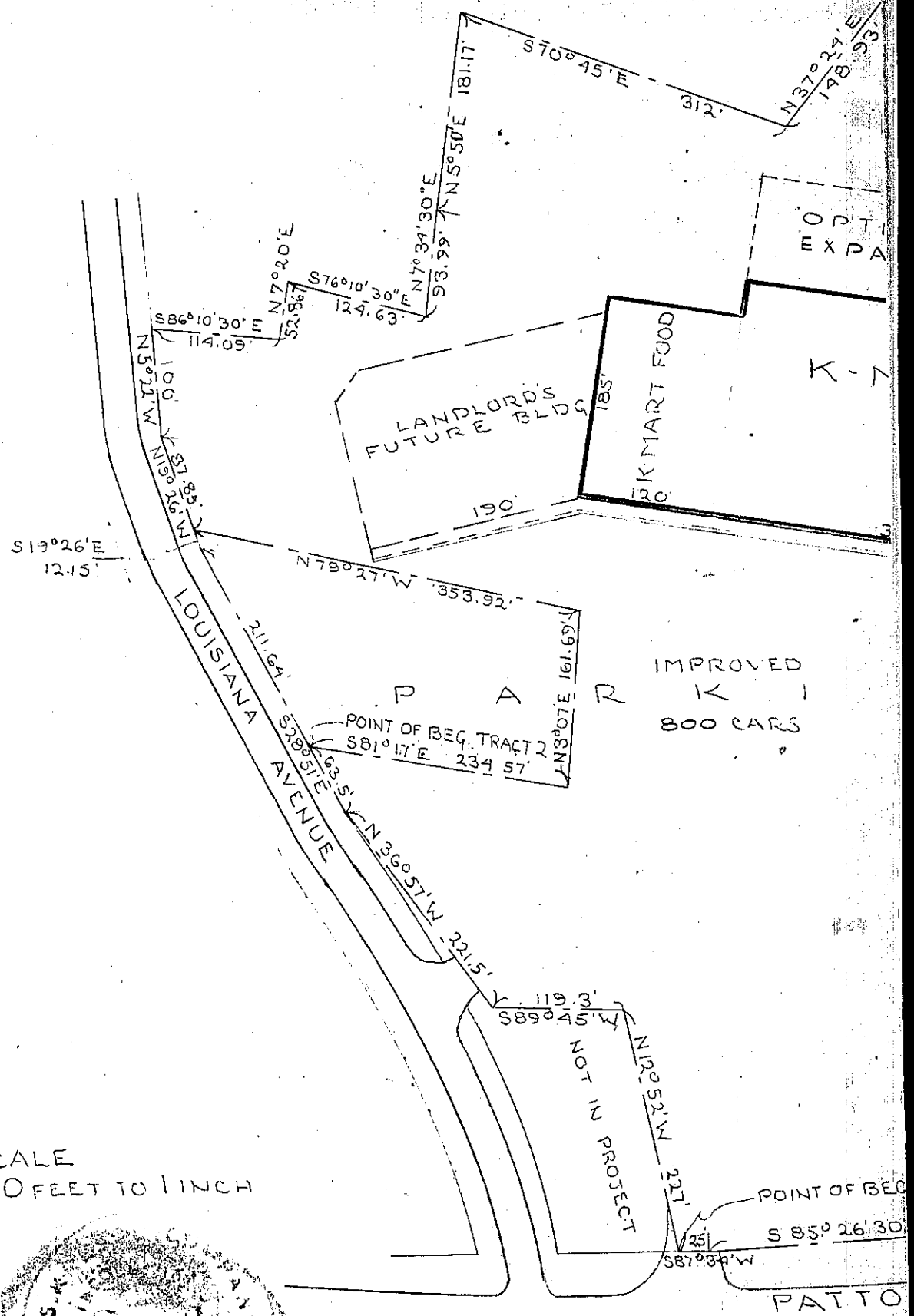
BEGINNING at a concrete monument in the northern margin of the right-of-way line of dual U. S. Highways #19-23, known as Patton Avenue, at the southeast corner of the lands of Wachovia Bank and Trust Company and running thence with the line of said Bank, N. 12° 52' W. 227 feet to a concrete monument; thence S. 89° 45' W. 119.3 feet to a concrete monument in the right-of-way line of Louisiana Avenue; thence N. 36° 57' W. 221.5 feet to an iron in the eastern margin of Louisiana Avenue; thence with the eastern margin of Louisiana Avenue, N. 28° 51' W. 63.5 feet to an iron pipe, the Joyner corner; thence with Joyner, S. 81° 17' E. 234.57 feet to an iron pipe; thence still with Joyner, N. 3° 7' E. 161.69 feet to a concrete monument, the Joyner northeast corner; thence with Joyner, N. 78° 27' W. 353.92 feet to an iron in the eastern margin of Louisiana Avenue; thence with the eastern margin of Louisiana Avenue, N. 19° 26' W. 87.85 feet; thence still with said Avenue, N. 5° 22' W. 100 feet; thence S. 86° 10' 30" E. 114.09 feet to an iron pipe; thence N. 7° 20' E. 52.86 feet, corner with Hargus; thence with Hargus, S. 76° 10' 30" E. 124.63 feet; thence N. 7° 34' 30" E. 93.99 feet; thence N. 5° 50' E. 181.17 feet; thence S. 70° 45' E. 312 feet to an iron; thence N. 37° 24' E. 148.93 feet to an iron; thence S. 70° 11' E. 573.02 feet to an iron in Hawkins Lane; thence with Hawkins Lane, S. 27° 56' W. 386.4 feet to a concrete monument; thence N. 82° 15' W. 113.79 feet to an iron; thence S. 32° 53' 30" W. 193.5 feet to a concrete monument; thence S. 23° 27' W. 165.86 feet to a concrete monument; thence S. 85° 57' 30" E. 17.59 feet to a dogwood tree; thence S. 20° 50' 30" E. 290.35 feet to an existing spike in the northern margin of Patton Avenue; thence with the northern margin of Patton Avenue, S. 85° 26' 30" W. 350.45 feet to a concrete monument; thence still with the northern margin of Patton Avenue, S. 87° 34' W. 25 feet to the point of beginning. Subject, however, to right-of-way for the widening of Hawkins Lane and the right-of-way for the widening of Louisiana Avenue, and together with and subject to rights of ingress, egress, and regress in, over and through that tract of land

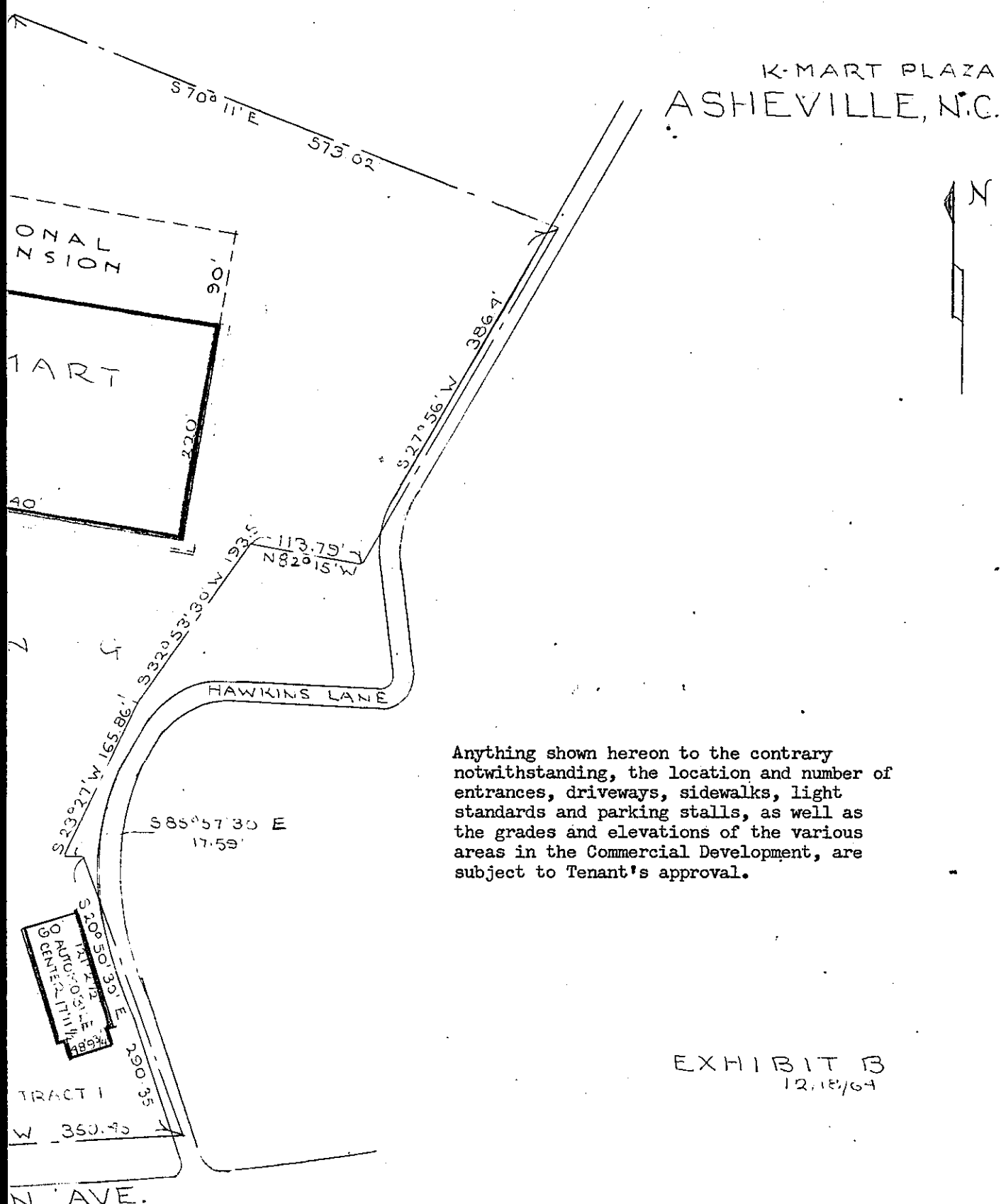
fronting 50 feet on Patton Avenue and running N. 12° 59' W. 35 feet, the center line of which is the first call in the foregoing description.

TRACT TWO

A leasehold interest in and to: BEGINNING at an iron pipe in the eastern margin of Louisiana Avenue, Wells' northwest corner, and running thence with the Wells' line, S. 81° 17' E. 234.577 feet to an iron in the line of the land of G-K, Inc.; thence with said line, N. 3° 7' E. 161.69 feet to a monument at a 24-inch pin, corner with Shelton; thence with the Shelton line, N. 78° 27' W. 353.92 feet to an iron pipe in the eastern margin of Louisiana Avenue; thence with the eastern margin of Louisiana Avenue, S. 19° 26' E. 12.15 feet and S. 28° 51' E. 211.64 feet to the point of beginning.

Consisting of approximately 12 acres, and being as more particularly shown on survey dated October 19, 1964 prepared by Hollowell, Borum and Associates, Greensboro, North Carolina.





Anything shown hereon to the contrary notwithstanding, the location and number of entrances, driveways, sidewalks, light standards and parking stalls, as well as the grades and elevations of the various areas in the Commercial Development, are subject to Tenant's approval.

EXHIBIT B
12/18/64